House Committee on Government Reform Subcommittee on National Security, Emerging Threats, and International Relations Statement Rend Al-Rahim Iraqi Representative to the United States June 15, 2004

Mr. Chairman,

Thank you for the invitation to speak before your committee. On behalf of the Iraqi people and the government of Iraq, I would like to take this opportunity to express gratitude for the leadership of the United States in liberating Iraqis from the murderous dictatorship of Saddam Hussein, and for the sacrifices of the American people and other members of the Coalition. For over three decades, Saddam Hussein killed millions of Iraqis, brought the country to economic and financial ruin, invaded and waged war on his neighbors, and developed and used weapons of mass destruction. His removal was a moral imperative that should be extolled and never undermined. We should also honor the memory of the hundreds of Iraqi civil servants, policemen, aid workers and others who have died because they wanted to serve the new Iraq. Among these have been two members of the Iraqi Governing Council. Three days ago, a career diplomatic who was a deputy foreign minister was gunned down by terrorists. The sacrifices of all parties have been tragic.

Achievements

Mr. Chairman. Iraqis look to a lasting friendship between Iraq and the United States, based on mutual respect and understanding, and on shared interests. This is why it is important to draw up a balance sheet of the relationship as it stands now, and examine its progress over the past year.

When the old regime collapsed in April 2003, Iraqis were jubilant. They indeed welcomed the U.S.-led Coalition as liberators. In Baghdad tangible signs of welcome were extended to the Coalition forces. People offered Coalition troops cold drinks in the summer heat, children played with young soldiers. On the national level and among individuals, there was great hope for the first time in decades: hope for a future and a new beginning. The small number of die-hard Ba'thists whose fortunes were intimately linked with the regime were silenced.

It is important to remember that for 35 years the old regime held the state and society in an iron grip. Its collapse was an earthquake that profoundly shook Iraq. Yet over the past fourteen months, a great deal has been achieved, both by Iraqis and by the Coalition:

- Freedom is visible everywhere. Over 100 newspapers and periodicals are published in Iraq today, across the whole political spectrum. They are free to express their opinion and criticize. Dozens of political parties have been formed, of all stripes and persuasions. Professional association are for the first time free from government control. There are hundreds of new non-governmental organizations, with a multitude of interests and missions. Women's group have flourished.
- The huge injection of funds into the economy has had an impact. Commerce and private enterprise are thriving. Jobs are being created, and salaries and earning have risen exponentially. Unemployment is still at 30%, but this figure is expected to decrease. Imports are pouring into Iraq and goods are bough as fast as they arrive. An increasing number of Iraqi companies can now obtain contracts under the reconstruction program.
- Schools, hospitals, universities and other public sector services are gradually recovering. Within 6 months of liberation, schools and universities were open again to students. The institutions of the state, which collapsed with the collapse of the regime, are being rebuilt, step by step. Ministries are up and running, and many are undergoing a thorough restructuring.
- A noteworthy achievement has been the establishment of city, district and governorate councils throughout the country, with the help of US and British civil affairs personnel and civilian members of the Coalition. Even though few local elections have been held, these councils have given Iraqis a taste of self-government and local decision-making for the first time.
- Politically, the Transitional Administrative Law signed by the Iraqi Governing Council is a landmark achievement, both for its content and for the political process of deliberation, negotiation, and compromise that it entailed.
- Finally, only 14 months after liberation, Iraqis have formed a competent and responsible government ready to assume sovereignty and full authority in Iraq on June 30.

The UN Security Council Resolution passed unanimously on June 8th consolidates these gains and marks a new beginning for Iraqi sovereignty and full authority over Iraq's affairs

Shift in Iraqi Attitudes

All of these are significant achievements over a relatively short period of time. Nevertheless, the good will generated by liberation has been strained. The shift in Iraqi attitudes can be attributed to a number of inter-related, policy and operational miscalculations by the Coalition provisional Authority.

Generally, there is a perception in Iraq that the U.S. came in with conflicting sets of policies and strategies, and that it has oscillated from one set to the other. Thus we have witnessed internal disagreements with the CPA, reversals and U-turns, and much improvisation. This "wobbliness" has contributed to a feeling of uncertainty and anxiety among Iraqis.

More specifically, I will concentrate on the issues of occupation, loss of sovereignty, disempowerment of Iraqis, and failed expectations.

Occupation. One of the reasons for deteriorating relations is the strategic decision by the Coalition to declare a military occupation of Iraq. Iraqis wanted and welcomed the US and the Coalition as liberators and partners, not as occupiers. We wanted liberation to have an Iraqi face and to take ownership of it. In the event, we felt we had been sidelined.

Prior to military action in 2003, Iraqis who spoke to policy makers in Washington urged the US not to adopt the posture of occupation. We felt that this would be counterproductive and send the wrong signal to Iraqis. Despite our recommendation, the Coalition declared that it was an occupying power, and took on full military, political and operational authority, to the dismay of many Iraqis. There really is no "nice" way to describe military occupation once you experience it first hand. Occupation is offensive, both in principle and in practice, and it is especially sensitive in a part of the world that has suffered long periods of foreign rule. Declaring an occupation dealt a blow to Iraqi dignity and national pride.

Iraqis also urged the US military to assume a more discrete, low profile presence in the cities and towns, to minimize possible friction between Iraqi civilians and heavily armed troops. Yet the opposite happened. Going about their daily lives, Iraqis encountered heavily armed Coalition troops and tanks at innumerable checkpoints, outside office buildings, and in residential neighborhoods. These encounters were often humiliating to Iraqis. Inevitably, given the tense environment, tempers flared, clashes erupted, and Iraqis and Americans were wounded or killed. This created a downward spiral in trust and cooperation on both sides.

Political Vacuum and the Suspension of Sovereignty. The collapse of Saddam Hussein's regime led to an anticipated disintegration of the state and an ensuing vacuum of political authority. Prior to the war, Iraqis had cautioned against this political vacuum, and called for the rapid rebuilding of the state through the formation of an Iraqi government that is seen by the people of Iraq as sovereign and authoritative. Sovereignty was needed as a matter of national pride and dignity, as well as for the practical purposes of restoring order and running the institutions of state. (In this and other contexts, I would like to draw attention to my prepared testimony of August 1, 2002, for a hearing before the Senate Committee on Foreign Relations. I would also like to draw attention to a November 2002 report written by Iraqis under the title "Transition to Democracy", under the auspices of the Department of State Future of Iraq Project).

However, rather than permitting an Iraqi government with real authority to take shape, the Coalition suspended sovereignty for 14 months and severely restricted the powers of the Governing Council that was formed in July 2003. The Coalition itself had neither the resources nor the credibility to act as an Iraqi government. As a result, no one was running the country, and the very concept of an Iraqi state was annulled for 14 months. A profound sense of confusion and drift prevailed among ordinary Iraqis in the summer and fall of 2003. It left Iraqis feeling dis-empowered and disenfranchised, and contributed a great deal to the growing frustration.

Law and order. The breakdown in law and order that followed the fall of the regime, including the looting that was allowed to take place while Coalition troops looked on, was a disastrous signal to Iraqis that Coalition troops were concerned exclusively with their own safety, and not the safety of Iraqi lives and treasures. There was in fact a contradiction in the logic of the occupation. If the Coalition is an occupying power, then it is indeed responsible for law and order and law enforcement in Iraq. The occupying power cannot have its cake and eat it: it cannot have the privileges and authority of occupation without the responsibilities. Yet this is how it looks to Iraqis, as looting, kidnapping, car-jacking, and other crimes are committed and put the lives of citizens at risk. The failure of the Coalition to address, or even take seriously, the break down in law and order altered the favorable disposition of middle-class, law-abiding Iraqis, who welcomed the Coalition as liberators.

Security Vacuum. The security infrastructure of Iraq, supported by the army, the police force, and the intelligence services, also disintegrated with the collapse of the regime. It is often argued that CPA Order # 2 that dissolved the Iraqi army was merely an acknowledgment of a de facto situation. That may be so. Nevertheless, it was a hatchet job where selective laser surgery was called for. It discarded much useful capability that could have been harnessed. Moreover, the order also deprived hundreds of thousands of military men and their families of their livelihood, giving rise to discontent.

Iraq urgently needed to re-establish an Iraqi security force, one led by people who have a vested interest in the new Iraqi order. The Coalition was slow in responding to this need. Last summer, some members of the Iraqi Governing Council proposed creating security forces from existing militias, to ensure political commitment and reliability, but that was rejected by the CPA. In our view, Iraqis had to be given a major role in maintaining security both for the purposes of effectiveness and to spare Coalition troops the pitfalls of confrontations with local populations.

Security operations by foreign troops are neither politically desirable nor practically effective. A force that does not speak the native language, has no understanding of the complex social structure, does not know local mores and customs, has no native intelligence capability—such a force cannot hope to maintain security on the streets. Worse, the dynamics of occupation lead to friction in tense encounters with Iraqis, and to mistakes that inflame emotions.

Our concerns were well-placed. From an initial mission to maintain security for all Iraqis, the operations of the Coalition military forces increasingly turned to "force protection", leaving ordinary Iraqi citizens with no protection or recourse against crimes. As a result, Iraqis became the primary targets of criminal activities, from assassinations to kidnappings to looting and intimidation. Iraqis perceived this as deliberate neglect and dereliction of duty by the occupying power.

Expectations and Delivery. After 35 years of deprivation and repression, Iraqis had high expectations of liberation. They expected services, such as electricity, health, water, sanitation, and telephones, to improve immediately. They expected reconstruction of infrastructure, schools, hospitals and universities, to move quickly. Unfortunately, because of security problems and other setbacks, delivery did not meet expectations. Iraqis could not understand why and no one in the Coalition bothered to give explanations. Indeed when services broke down or shortages occurred, there was no one to ask. Iraqis were baffled and incredulous. "The man in the moon" example has been quoted by journalists: If the US could put a man on the moon thirty years ago, how is it they can't fix the electricity system in Iraq?

Failure of Public Diplomacy and Communication. The problem of thwarted expectations was compounded by lack of communication and public diplomacy. There were no mechanisms for Iraqis to obtain information on anything that affected their lives or to address any of their problems. On many occasions I was personally asked questions or presented with problems that should have received a simple answer from a government office. Yet it was impossible to obtain information. In all spheres of life, Iraqis lived on rumors and urban myths. It is by now no secret that the television station established by the Coalition was a failure. Whereas it should have been extensively used by the Coalition and Iraqi officials to communicate with people, provide information, address concerns, and build confidence, the station was instead virtually content-free. Consequently, Iraqis turned to Al-Jazira, Arabiya, and the Iranian Al-Alam for their information and for discussions of issues that affected their lives. Unfortunately, this problem was still there when I was in Baghdad last March.

Deterioration of the Security Environment

It is clear today that old regime loyalists who withdrew from the battlefield have regrouped to fight a guerilla warfare. Although they are few relative to the population of Iraq, they have been able to stall progress on all fronts and sow confusion and fear in Iraq. They have been aided and inspired by fanatic external elements that form part of the international network of terrorism. For both of these actors, the objective is to thwart the success of a new Iraq. The biggest threat to their interests is a democratic, prosperous and stable Iraq. Thus there is a confluence of short-term interests between domestic and external forces that has spurred cooperation and common action to wreak as much havoc as they can.

It is significant that the terrorists have specifically targeted Iraqis who are bravely contributing to building a new order in Iraq, be they police forces, government employees, or political leaders. They mean to intimidate everyone away from contributing to success. When reconstruction efforts appeared to be picking up early this year, terrorists escalated their activities against contractors, diplomats, and even aid workers, in order to drive them out of Iraq. Ordinary Iraqis, who understand the price they are being made to pay by the terrorists, condemn their actions but are impotent and too afraid to counter them

Unfortunately, the terrorists have been able to capitalize on Iraqi sensitivity to the occupation and the mistakes made by Coalition forces, most recently the episodes in Abu Ghraib prison. They address themselves to the politically disenfranchised and the economically disadvantaged. They have tried to exploit, though unsuccessfully, sectarian differences. They practice propaganda and wage psychological warfare as energetically as they wage terrorism. Those working for a successful Iraq still do not have countervailing public diplomacy tools that can influence the perceptions of the population.

The worsening security environment can only be improved by building Iraqi security forces that are committed to the new order, are well trained, and placed under Iraqi command. Building this capacity will be a gradual process. The Coalition undertook a renewed effort in this direction after the events of April this year, and the new Interim Iraqi Government is fully committed to building indigenous security capacity.

Economic and Physical Reconstruction

Iraq has all the elements needed to become the economic growth engine for the region. After two and a half decades of nearly continuous war, the country has to be rebuilt from the ground up. The progress of economic and political rebuilding provides a mixed picture of successes and drawbacks.

As noted earlier, a great deal of physical reconstruction has been accomplished. Iraq's economy is healthier than it has been in twenty years, commerce is thriving, and incomes have risen dramatically for civil servants and private sector employees. Early this year, Baghdad was described, without too much exaggeration, as a boom town. As a measure of economic confidence, Iraqis transferred to Iraq \$5 million dollars a day from accounts abroad. Last summer and fall, foreign entrepreneurs and corporations filled the hotels of Baghdad, seeking to obtain contracts, establish businesses or conduct trade. Initially Iraqi contractors had little access to the large US firms with USAID contracts and it was difficult to obtain secondary or even tertiary contracts. But the situation improved in 2004, especially when Iraqi ministries put out their own tenders and began to do their own contracting.

Iraq's needs are enormous while resources are limited, and prioritizing is necessarily a triage operation. For example, supplemental funds provided by the US Congress have largely gone to capital intensive, heavy engineering projects in such fields as electricity

and oil industry infrastructure, both of which are essential. But these employ fewer people, require higher qualifications, and are therefore awarded to non-Iraqi firms. Because of the need to create hundreds of thousands of jobs, we also need to put resources into labor intensive, low tech projects in Iraq that can be awarded to Iraqi companies and absorb Iraqi manpower.

The single impediment to reconstruction and economic recovery is the security situation. Sabotage of infrastructure started in the first months after liberation, most notably in the electricity and oil sectors. Later terrorism expanded its reach, with the murder and hostage taking of foreign contractors. Iraqis involved with foreign contractors have been equally targeted.

This is a vicious cycle that needs to be turned around into a virtuous cycle. We need to generate jobs, improve services, raise standards of living to all sectors of the population in order to give Iraqis a vested interest in the new order. This will help confidence to soar and will indeed win hearts and minds.

Political Reform and Democracy Building

In the area of building democracy, the Coalition has laid stress on reforming government institutions. The Iraqi Governing Council and the ministers appointed by the Coalition were a group of men and women broadly reflective the diversity of Iraqi society and possessed, in the aggregate, a pool of talents and professional qualifications. They acquitted themselves well in a difficult and dangerous environment. The new Iraqi Interim Government is similarly diverse and professionally capable, and promises to be competent in the discharge of its responsibilities once it takes over on June 30 with full sovereign authorities.

Local councils, established throughout the country with the help of the CPA, have brought governance nearer to the people. As yet these councils have limited authority and many of them are appointed rather than elected. Nevertheless, they are a good example of the potential for democratic transformation.

The Coalition promulgated laws to liberalize the economy, enhance accountability, and strengthen civil society organizations. It notably encouraged the participation of women in public and civic life. We are hopeful that these reforms will take root.

Most noteworthy is the writing of the Transitional Administrative Law, a process of political debate, negotiation, and compromise that led to the most enlightened basic law anywhere in the Middle East. Although it has drawn some criticism, it ought to be hailed as a signal achievement of democratic process and democratic outcome.

However, this effort at political reform has focused on the superstructure of the state, that is, reform from the top down. As a long time democracy advocate and activist, I believe that top-down democracy is not enough. We must also create a culture of democracy at

the grass roots level. The Iraqi people have to buy into the idea of democracy, have a personal stake in it, and ultimately be willing to protect it. This process involves formal education in schools and universities as well as informal public education, strengthening civil society institutions, promoting democratic practices such as public debate and conflict resolution skills. More investment and training is needed in this area.

The Way Forward

Finally, Mr. Chairman, I want to make two points about where we go from here.

First, Iraq has to succeed. Failure is unthinkable. A failure in Iraq will plunge the country and the entire region into anarchy and will hand victory to fanatics and terrorists, with disastrous consequences for the world.

But there is a danger that success will be defined solely as stability, and there are growing voices in Washington advocating "lowering our sights". Stability of course is essential, and nothing can be achieved without it. But the sacrifices of Americans, Coalition members and Iraqis cannot be vindicated by mere stability. The vision of Iraqis and of the U.S. in undertaking this difficult voyage is to implant and nurture democracy. Iraqis themselves use the word democracy more than any other in their political discussions. The mechanics of democracy may be tailored to Iraq's specific environment, but the universal values and practices of democracy, acknowledged by all nations, should not be abandoned.

Only a definition of success as the promotion of democracy in Iraq will make the sacrifices worth while. It will affirm the moral purpose in changing the regime of Saddam Hussein, and strengthen the credibility of the United States as an advocate of reform in the region.

Second, on June 30th, a new Iraqi government will assume sovereignty and authority. We will need, and have requested, the continued presence of the multinational forces authorized by the UN Security Council resolution, as we proceed with building our security capabilities and progressively take charge of our own security needs. We need the assistance of the international community in this endeavor, and hope that the United States and other countries will stay the course.

We look to an enduring friendship with the United States, and for that we must move away from the paradigm of occupying force and occupied people, to one of partnership between nations, which we have always advocated. The new Iraqi government must be in fact and in the perception of Iraqis, sovereign and free to exercise authority. The partnership we want eventually with the United States is not military: it must be a partnership on the level of institutions, social organizations, and ordinary citizens. We should begin to build this partnership today.

Thank you Mr. Chairman